

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 3372 – SB 3315

April 18, 2012

SUMMARY OF AMENDMENT (016840): Deletes all language after the enacting clause. Authorizes a physician to prescribe or refer for pain management, encompassing pharmacological, non-pharmacological, and other approaches to prevent, reduce or stop pain sensations for an employee determined to have persisting pain beyond the expected period for healing as it applies to workers' compensation law. Entitles an employee to a panel of physicians if the treating physician makes a referral for pain management. Requires the injured employee to sign a formal agreement with the physician. Authorizes the Department of Labor and Workforce Development (DLWD) to charge a fee for providing an appeal process for a utilization of such prescription medication for pain management.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Increase State Revenue – \$165,000

**Increase State Expenditures – \$4,500/One-Time
\$151,900/Recurring**

Assumptions applied to amendment:

- According to DLWD, the Department receives approximately 102,000 workers' compensation claims each year. Approximately 10,906 of these injuries will require pain medication for 90 days; approximately 7.57 percent (or 825) will file an appeal with DLWD.
- According to DLWD, a fee of \$200 will be charged to recover costs. A recurring increase in state revenue of \$165,000 (825 appeals x \$200 fee).
- According to DLWD, one additional nurse, and two administrative assistants will be required. A recurring increase in state expenditures of \$151,871 (\$111,468 salaries + \$34,403 benefits + \$6,000 operational).
- One-time state expenditures of \$4,500 for office supplies and computers for these three new positions.

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CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

/jaw